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NEWS RELEASE

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OFFICE OF FINANCIAL INSTITUTIONS JOINS NATIONAL MORTGAGE LICENSING SYSTEM

Kentucky is among 28 agencies to participate by the end of 2009

FRANKFORT, Ky. (Feb. 28, 2007) – The Office of Financial Institutions (OFI) announces plans to participate in the Residential Mortgage Licensing System now under development by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators.

To date, 28 states have indicated their intent to participate in the nationwide system by the end of 2009.

“This system, when up and running, will accomplish something that is unprecedented in the mortgage industry,” said Cordell Lawrence, executive director of OFI. “Kentucky plays a critical role in regulating the lending industry, and our participation in the system will provide significant benefits to mortgage practitioners and the consumers of our state.”

The system is intended to improve efficiency and effectiveness of state supervision of the U.S. mortgage market; to fight mortgage fraud and predatory lending; to increase accountability among mortgage industry professionals; and to unify and streamline the state licensing process.

The system will be used by state residential mortgage regulators to accept and process national, uniform license applications and renewal forms that have been created by state regulators over the past two years. Licensees will be able to electronically manage a single record in the system to apply for, amend, renew and surrender licenses with one or more regulators. The system will manage state licenses for mortgage companies, branches and individuals. It is scheduled to go operational in January 2008.

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State agencies announcing their commitment to the system include Alabama, Arizona, Arkansas, Connecticut, District of Columbia, Georgia, Idaho, Indiana, Iowa, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Mississippi, Montana, Nebraska, New Hampshire, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Vermont and Wyoming. Additional states have expressed interest in participating in the system, but are still determining the time frame of their involvement.

In Kentucky, there are currently 550 mortgage companies and brokerages and approximately 4,000 individual mortgage registrants affected by the changes. More information about the licensing system may be found online at www.csbs.org.

OFI is an agency of the Department of Public Protection in the Environmental and Public Protection Cabinet. It licenses, charters and regulates the activities of state-chartered/licensed depository and nondepository financial institutions. OFI's mission is to serve the public through effective and efficient regulation that promotes consumer confidence and economic growth.

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